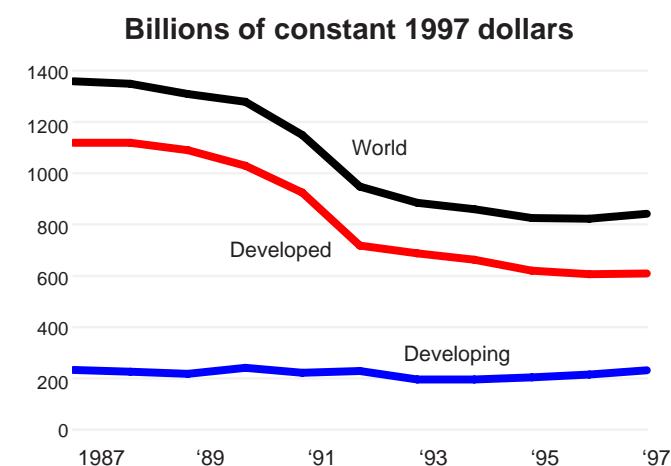


# BRIEF HIGHLIGHTS

## World Military Expenditures, 1987-1997

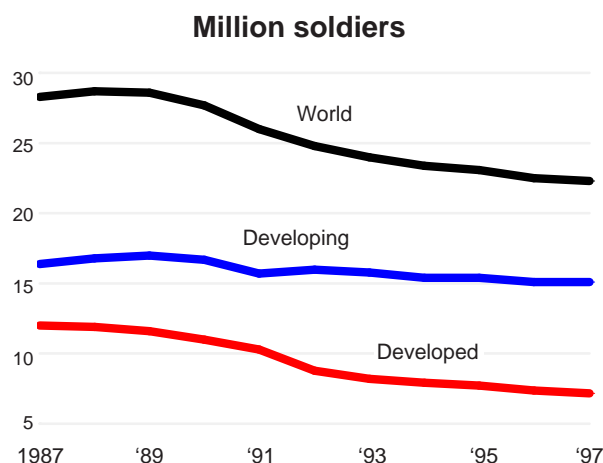


### Shares and growth (in percent)

	World Share		Real Growth Rate	
	1987	1997	Decade 87-97	2nd Half 93-97
<b>World</b>	100.0	100.0	-6.0	-1.4
Developed	82.7	72.5	-7.3	-3.2
Developing	17.3	27.5	-9	4.3
<b>Region</b>				
North America	28.7	34.2	-3.3	-3.8
Western Europe	16.1	22.1	-1.9	-1.5
East Asia	8.9	20.7	3.2	5.1
Eastern Europe	34.8	7.6	-22.6	-9.3
Middle East	6.8	6.2	-6.9	-.8
South America	1.6	3.4	2.5	8.6
South Asia	.9	2.0	3.1	6.8
Oceania	.6	1.1	1.9	-1.1
North Africa	.4	.7	-1.9	6.8
Southern Africa	.5	.6	-4.3	-1.0
Central Africa	.3	.5	.9	-3.4
Central Asia & Cauc.	—	.5	—	-7.2
Central Amer. & Car.	.2	.2	-7.8	1.1
Europe, all	50.9	29.8	-12.1	-3.7
Africa, all	1.2	1.8	-2.1	.7
<b>Organization / Reference Group</b>				
OECD	47.7	62.3	-2.4	-2.6
OPEC	6.0	5.4	-7.7	.7
NATO, all	43.5	54.2	-2.9	-3.1
Warsaw Pact (fmr)	34.4	7.6	-22.5	-9.9
NATO Europe	15.0	20.5	-2.0	-1.6
Latin America	2.0	4.1	1.9	8.7
CIS	—	6.1	—	-12.2

- World military spending began a small upturn in 1997, after bottoming in 1995-96 at 60% of the 1987 peak.
- Spending in the developed countries, now 73% of the world's, rose slightly in 1997 and may have bottomed out in 1996 at 54% of its 1987-88 peak. This spending has declined moderately since 1992, after dropping sharply in the previous four years.
- Spending in developing countries has reached a new historical high. It has grown slowly but steadily after dropping by 19% from 1990 to a 1993-94 low. The developing countries' share of world spending reached 28% in 1997, up from 17% in 1987.
- Spending trends by region in the 1993-97 half-decade show that the main drop was in Eastern Europe, with North America (mainly the US), Western Europe, and Central Africa also declining. On the other hand, rising spending trends appeared in South America, South Asia, North Africa, and East Asia in that period.
- Changes in regional shares of world spending over the entire 1987-97 period reflect the collapse of the Soviet Union and Warsaw Pact, as Eastern Europe's share plummeted from 35% to 8%. At the same time, East Asia grew from 9 to 21%, North America—29 to 34%, Western Europe—16 to 22%, South America—1.6 to 2.4% and South Asia—.9 to 2%.
- The OECD countries accounted for 62% of world military spending in 1997, up from 48% in 1987, while NATO spending rose from 44 to 54%.

## World Armed Forces, 1987-1997



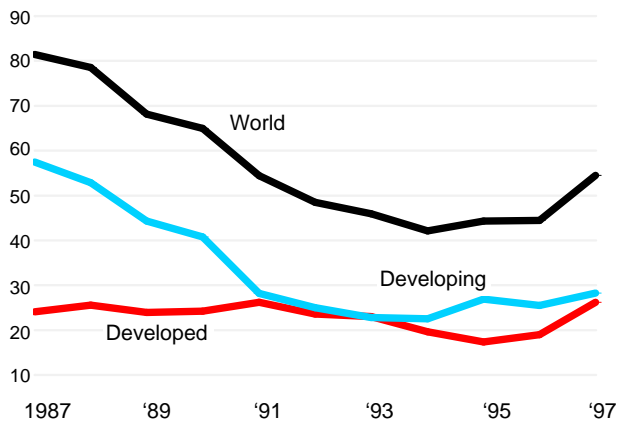
### Shares and growth (in percent)

	World Share		Real Growth Rate	
	1987	1997	Decade 87-97	2nd Half 93-97
<b>World</b>	100.0	100.0	-2.9	-1.8
Developed	42.1	32.3	-5.8	-3.3
Developing	57.9	67.7	-1.1	-1.1
<b>Region</b>				
East Asia	28.4	31.2	-1.9	-2.6
Western Europe	13.7	13.6	-2.4	-1.6
Eastern Europe	20.0	12.6	-7.6	-3.3
Middle East	9.5	11.1	-2.7	.4
South Asia	6.9	9.8	-.9	.3
North America	8.9	8.3	-3.7	-3.8
South America	4.2	4.2	-.8	.5
Central Africa	2.9	3.2	-1.4	.4
North Africa	1.8	1.9	-1.0	-1.0
Southern Africa	1.5	1.6	-2.5	-5.1
Central Asia & Cauc.	—	1.3	—	12.9
Central Amer. & Car.	1.9	.8	-11.8	-16.2
Oceania	.3	.4	-.7	-.7
Europe, all	33.6	26.1	-5.2	-2.4
Africa, all	6.2	6.7	-1.6	-1.4
<b>Organization / Reference Group</b>				
OECD	23.6	23.2	-2.8	-2.0
OPEC	7.6	8.4	-3.0	.9
NATO, all	21.2	19.8	-3.3	-2.6
Warsaw Pact (fmr)	18.8	12.5	-7.3	-2.1
NATO Europe	12.9	12.6	-2.6	-1.7
Latin America	6.6	6.1	-2.9	1.7
CIS	—	9.5	—	-2.0

- The size of the world's armed forces has continued to decline (though less sharply than military spending), falling by 22% from its 1988-89 peak to 1997. As with spending, most of the decline was in developed countries, particularly in 1991-1992.
- Force levels in the developing countries as a whole have fallen only moderately over the decade and now make up over two-thirds of the world total.
- All regions trended downward over the decade as a whole and most also did so in the latter half.
- Eastern Europe had the greatest decline, with its world share falling from 20 to 13%. The rate of decline was largest in Central America and Caribbean during both the whole decade and its latter half.
- The NATO force level fell by 27% over the decade, averaging 3.3% annually. The US dropped by 33%.
- Mildly rising trends appeared in the latter half-decade in the Middle East, South Asia, South America, and Central Africa. With relatively low initial levels, forces in the new countries of Central Asia and Caucasus grew strongly, particularly since 1994.
- The ratio of armed forces to population declined in all regions over both the entire decade and its latter half, except in Central Asia and Caucasus. The Middle East and Eastern Europe, with the highest levels of this indicator at the beginning of the decade, fell sharply but still retained the highest levels in 1997 (about 10 soldiers per thousand people). The lowest levels (under two per thousand) obtain in South Asia and Central and Southern Africa.

## World Arms Imports, 1987-1997

Billions of constant 1997 dollars

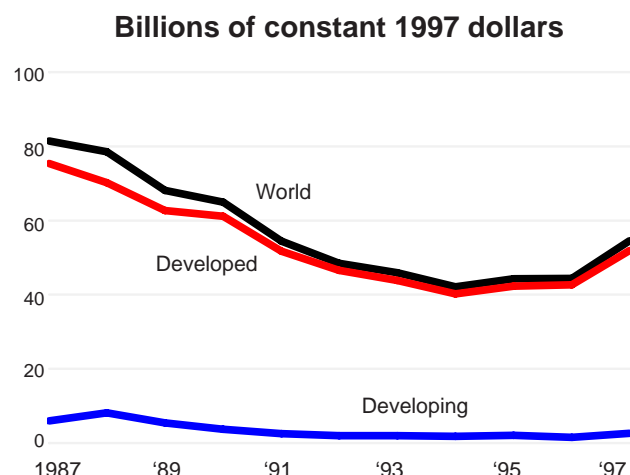


Shares and growth (in percent)

	World Share		Real Growth Rate	
	1987	1997	Decade 87-97	2nd Half 93-97
<b>World</b>	100.0	100.0	-5.8	4.1
Developed	29.5	48.1	-2.1	2.3
Developing	70.5	51.9	-8.1	5.7
<b>Region</b>				
Middle East	38.1	36.4	-4.8	4.2
East Asia	12.1	30.2	2.7	19.0
Western Europe	12.6	16.4	-3.3	-2.8
Oceania	1.6	1.9	-1.7	-4.5
North America	1.9	3.7	-1.5	-1.6
South America	1.9	2.7	-1.9	19.6
South Asia	7.8	2.1	-23.5	.7
Eastern Europe	8.5	1.7	-19.6	-.6
North Africa	2.8	1.3	-19.2	39.0
Central Africa	3.1	.8	-21.7	8.9
Southern Africa	5.4	.3	-23.3	-30.2
Central Asia & Cauc.	—	.3	—	3.8
Central Amer. & Car.	4.1	.1	-34.5	-22.0
Europe, all	21.1	18.1	-6.7	-2.9
Africa, all	11.2	2.3	-20.5	-1.4
<b>Organization / Reference Group</b>				
OECD	17.7	26.7	-1.8	.3
OPEC	28.3	32.5	-4.0	10.6
NATO, all	13.1	17.7	-3.8	-1.6
Warsaw Pact (fmr)	7.5	1.5	-18.1	1.4
NATO Europe	11.3	14.2	-4.1	-1.2
Latin America	6.1	3.0	-12.3	12.3
CIS	—	.3	—	11.3

- The world arms trade took a sharp 23% upturn in 1997, after dropping precipitously by nearly one half between the 1987 all-time high and a bottom in 1994, with a low trough in 1992-1996. (Arms imports and exports are equal at the world level.)
- Arms imports turned upward in both developing and developed countries. The previous declines had been primarily in the developing countries, where the 1994 bottom was only 39% of the 1987 peak and the 1997 level represented a 26% increase.
- Developed country imports had been fairly steady from 1987 to 1993 and dropped by one third from their 1991 high to a low in 1995.
- As a result, the developing/developed shares of world arms imports went from about 70/30 in 1987 to about 52/48 in 1997. The two groups have been roughly even since 1991.
- Three regions—the Middle East, East Asia, and Western Europe—accounted for over 80% of the world market in 1997, compared with under two-thirds in 1987. The Middle East alone had over a one-third share in both years. East Asia's world share more than doubled to reach 30% in 1997 and its imports have risen by 19% annually since 1993. Western Europe's imports have been declining moderately, but slower than the world's.
- South America increased its world share with a rising trend in the latter half-decade, while North America's share rose with a mildly declining trend.
- Eastern Europe's arms imports dropped sharply in the first half-decade, as did South Asia's, Central America's and those of the African regions. All regions had declining trends over the decade except East Asia.

## World Arms Exports, 1987-1997



### Shares and growth (in percent)

	World Share		Real Growth Rate	
	1987	1997	Decade 87-97	2nd Half 93-97
<b>World</b>	100.0	100.0	-5.8	4.1
Developed	92.5	95.2	-5.3	4.0
Developing	7.5	5.0	-12.6	4.5
<b>Region</b>				
North America	29.2	59.3	1.7	2.8
Western Europe	19.4	29.6	-.6	9.7
Eastern Europe	44.1	6.8	-23.5	1.4
East Asia	3.9	2.5	-15.8	-3.0
Middle East	1.6	.8	-7.1	-12.5
Southern Africa	0	.7	19.7	17.0
South Asia	0	.2	-.3	14.0
Central Asia & Cauc.	—	.1	—	68.9
South America	1.4	0	-32.2	-56.2
Central Africa	0	0	-13.3	0
Central Amer. & Car.	0	0	-12.9	-28.6
North Africa	.1	0	-43.7	0
Oceania	.1	0	.8	-5.0
Europe, all	63.5	36.4	-11.2	7.6
Africa, all	.1	.7	7.2	17.0
<b>Organization / Reference Group</b>				
OECD	48.9	89.0	.8	4.9
OPEC	.2	.2	1.1	-10.8
NATO, all	46.6	87.0	.9	5.1
Warsaw Pact (fmr)	43.6	6.9	-23.3	1.8
NATO Europe	17.5	27.8	-.5	10.8
Latin America	1.5	0	-27.6	-47.3
CIS	—	6.3	—	3.7

- World arms exports (the equivalent to world arms imports) took a sharp 23% upturn in 1997, after dropping precipitously by nearly one half between the 1987 all-time high and a bottom in 1994, with a low trough in 1992-1996.
- The 1997 rise in exports went mainly to East Asia and the Middle East, with South America and North Africa also contributing.
- Developed countries raised their overwhelming share of world exports over the decade to 95%. In 1997, two exporting regions were dominant—North America (mainly the US) with a 59% share and Western Europe, with 30%. Eastern Europe (mainly Russia) had 7%.
- In 1987, Eastern Europe (mainly the Soviet Union) led with 44% of the world arms market, North America had 29%, and Western Europe, 19%.
- The world market shares of smaller exporting regions fell over the decade: East Asia, from 3.9 to 2.5%, Middle East, 1.6 to .8%, and South America, 1.4 to 0%.
- North America was the only significant arms exporting region with a rising trend for the decade as a whole.
- The market for US arms exports is primarily the developed countries (63% over the entire decade). For all other suppliers combined it is mainly the developing countries (78%).
- In the 1995-1997 period, 58% of US exports went to developed countries and 24% went to NATO countries. Other shares (by region): Middle East 33%, East Asia 27%, the Americas 4%, Oceania 3%, and Africa 1%.